

**OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE  
UNITED STATES DEPARTMENT OF AGRICULTURE**

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**U.S. and Cooperating Countries File WTO Case  
Against EU Moratorium on Biotech Foods and Crops**  
*EU's Illegal, Non-Science based Moratorium  
Harmful to Agriculture and the Developing World*

WASHINGTON - U.S. Trade Representative Robert B. Zoellick and Agriculture Secretary Ann M. Veneman today announced the United States, Argentina, Canada, and Egypt will file a World Trade Organization (WTO) case against the European Union (EU) over its illegal five-year moratorium on approving agricultural biotech products. Other countries expressing support for this case by joining it as third parties include: Australia, Chile, Colombia, El Salvador, Honduras, Mexico, New Zealand, Peru and Uruguay.

Joining Zoellick and Veneman at the Washington announcement were Dr. C.S. Prakash (organizer of a pro-agricultural biotech declaration signed by 20 Nobel Laureates and over 3,200 scientists); T.J. Buthelezi, a small farmer of biotech crops from South Africa; Dr. Diran Makinde, DVM, Ph.D., Dean of the School of Agriculture, University of Venda for Science and Technology, South Africa; Dr. Ariel Alvarez-Morales, Principal Scientist, Department of Plant Genetic Engineering, Center for Research and Advanced Studies, Irapuato, Mexico; and, representatives from countries participating in the case.

“The EU’s moratorium violates WTO rules. People around the world have been eating biotech food for years. Biotech food helps nourish the world’s hungry population, offers tremendous opportunities for better health and nutrition and protects the environment by reducing soil erosion and pesticide use,” said Zoellick. “We’ve waited patiently for five years for the EU to follow the WTO rules and the recommendations of the European Commission, so as to respect safety findings based on careful science. The EU’s persistent resistance to abiding by its WTO obligations has perpetuated a trade barrier unwarranted by the EC’s own scientific analysis, which impedes the global use of a technology that could be of great benefit to farmers and consumers around the world.”

“With this case, we are fighting for the interests of American agriculture. This case is about playing by the rules negotiated in good faith. The European Union has failed to comply with its

WTO obligations,” said Veneman. “Biotechnology is helping farmers increase yields, lower pesticide use, improve soil conservation and water pollution and help reduce hunger and poverty around the world. Farmers here and elsewhere must be assured that their crops won’t be unfairly rejected simply because they were produced using biotechnology. The EU actions threaten to deny the full development of a technology that holds enormous potential benefits to both producers and consumers worldwide, while also providing a very significant means to combat hunger and malnutrition that afflict hundreds of millions of people across the developing world.”

“The U.S. and the EU have a large and important economic relationship, and disputes such as this, while very important, make up only one part of that relationship. The United States will continue to work with the EU to manage this and other disputes in an appropriate way, and we look forward to advancing our shared objectives in the Doha global trade negotiations and other fora,” Zoellick added.

The WTO agreement on sanitary and phytosanitary measures (SPS) recognizes that countries are entitled to regulate crops and food products to protect health and the environment. The WTO SPS agreement requires, however, that members have “sufficient scientific evidence” for such measures, and that they operate their approval procedures without “undue delay.” Otherwise, there is a risk countries may without justification use such regulations to thwart trade in safe, wholesome, and nutritious products.

Before 1999, the EU approved nine agriculture biotech products for planting or import. It then suspended consideration of all new applications for approval, and has offered no scientific evidence for this moratorium on new approvals. As EU Environment Commissioner Margot Wallstrom said almost three years ago (July 13, 2000): “We have already waited too long to act. The moratorium is illegal and not justified...the value of biotechnology is poorly appreciated in Europe.”

Agricultural biotechnology is a continuation of the long tradition of agricultural innovation that has provided the basis for rising prosperity for the past millennium. Humankind has historically progressed in boosting agricultural productivity, quality and choices by harnessing science to develop new forms of crops.

More than 145 million acres (58 million hectares) of biotech crops were grown in the world in 2002 (check figure). Worldwide, about 45% of soy, 11% of corn, 20% of cotton and 11% of rapeseed are biotech crops. In the United States, 75% of soy, 34% of corn and 71% of cotton are biotech crops.

Numerous organizations, researchers and scientists have determined that biotech foods pose no threat to humans or the environment. Examples include the French Academy of Medicine and Pharmacy, and the French Academy of Sciences, the 3,200 scientists who cosponsored a declaration on biotech foods and numerous scientific studies including a joint study conducted by the seven national academies of science (the National Academies of Science of the United

States, Brazil, China, India, and Mexico, plus the Royal Society of London and the Third World Academy of Sciences).

### **Background:**

In October 1998, the EU stopped approving any new agriculture biotech products for planting or import. This moratorium had no effect on any previously-approved products, such as corn and soy, which are still used and are available in member countries, but it froze the approval process in the EU. No biotech product has ever been rejected for approval in the EU.

Since the late 1990's, the EU has pursued policies that undermine agricultural biotechnology and trade in biotech foods. First, six member states (Austria, France, Germany, Italy, Greece & Luxemburg) banned modified crops approved by the EU, and the Commission refused to challenge the illegal bans. In 1998, member states began blocking all new biotech applications. This approval moratorium is causing a growing portion of U.S. agricultural exports to be excluded from EU markets and unfairly casting concerns about biotech products around the world, particularly in developing countries.

The first step in a WTO dispute, which the United States and other countries are taking today, is to request and conduct consultations in the next 60 days. WTO procedures are designed to encourage parties to resolve their differences. If at the end of the 60 days, no resolution has been achieved, then the U.S. and the cooperating countries may seek the formation of a dispute settlement panel to hear arguments. Dispute settlement procedures, including appeal, typically take a total of 18 months.

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